

88TH CONGRESS
2^D SESSION

H. R. 10485

IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 1964

Mr. HAYS introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To provide for adjustments in annuities under the Foreign Service retirement and disability system.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Foreign Service Annuity
4 Adjustment Act of 1964".

5 SEC. 2. (a) Annuities paid from the Foreign Service re-
6 tirement and disability fund on the date of enactment of this
7 Act, based on service performed by annuitants which termi-
8 nated prior to October 16, 1960, shall be adjusted under the
9 provisions of section 821 (b) of the Foreign Service Act of
10 1946, as amended, relating to the formula for reduction in
11 annuity to provide for a surviving widow, as though such

1 provisions had been in effect on the date of the annuitant's
2 separation from the Service, or, in the case of any annuitant
3 who makes an election under paragraph (1) or (2) of this
4 subsection, in accordance with the following:

5 (1) An annuitant who at time of retirement was
6 married to a wife who is still living (and to whom he is
7 married on the date of enactment of this Act), and for
8 whom he has not elected a widow survivor benefit be-
9 fore such date of enactment, may, within one hundred
10 and twenty days after such date of enactment, elect to
11 provide a widow survivor benefit of \$2,400 per annum.
12 The annuity of an annuitant who makes an election un-
13 der this paragraph shall be reduced by \$300 per annum.

14 (2) An annuitant who at time of retirement was
15 married to a wife who is still living (and to whom he
16 is married on the date of enactment of this Act) and
17 for whom he has elected, before such date of enactment,
18 a widow survivor benefit of less than \$2,400 per annum,
19 may, within one hundred and twenty days after such
20 date of enactment, elect to provide a widow survivor
21 benefit of \$2,400 per annum. The annuity of an an-
22 nuitant who makes an election under this paragraph
23 shall be reduced by \$300 per annum in lieu of any re-
24 ductions of his annuity in effect on the date of enact-
25 ment of this Act because of elections made by him be-

1 fore such date of enactment in connection with the pro-
2 vision of a widow survivor annuity.

3 (b) If an annuitant referred to in paragraph (a) (1) or
4 (a) (2) of this section dies within one hundred and twenty
5 days after the date of enactment of this Act, without having
6 made an election under such paragraph (a) (1) or (a) (2),
7 his surviving widow shall be paid the greater of—

8 (1) \$2,400; or

9 (2) the annuity to which she may be entitled from
10 the Foreign Service Retirement and Disability Fund as
11 his widow under any provision of law in effect on the
12 date of the death of the annuitant.

13 SEC. 3. If a former participant whose service as a class
14 4 Foreign Service officer was terminated prior to October 16,
15 1960, and who elected a deferred annuity, dies before becom-
16 ing eligible to receive an annuity, the benefit of the surviving
17 widow, if she was eligible under the terms of the law in effect
18 upon his separation from the Service, shall not be less than
19 \$2,400 per annum.

20 SEC. 4. In any case in which an annuitant who retired
21 prior to October 16, 1960, dies before the date of enact-
22 ment of this Act, leaving a widow to whom he was married
23 at time of retirement who is not entitled to receive an
24 annuity as his widow under the Foreign Service Retirement
25 and Disability System, and who is not receiving benefits

1 as his widow under the Federal Employees' Compensation
2 Act, the Secretary of State shall grant such widow, whether
3 remarried or not, an annuity of \$2,400 per annum.

4 SEC. 5. The annuity of each widow survivor annuitant
5 who, on the date of enactment of this Act, is receiving a sur-
6 vivor annuity from the Foreign Service Retirement and Dis-
7 ability Fund of less than \$2,400 per annum is hereby in-
8 creased to \$2,400 per annum.

9 SEC. 6. The annuity benefits elected or provided with
10 respect to any widow under section 2, 3, 4, or 5 of this Act
11 shall be in lieu of any annuity benefits to which such widow
12 otherwise would be entitled as the widow of the Foreign
13 Service officer with respect to whom such annuity benefits
14 are so elected or provided.

15 SEC. 7. Any increase, adjustment, or grant of an annuity
16 under section 2, 4, or 5 of this Act shall commence on the
17 first day of the month following the expiration of the 120-day
18 period beginning on the date of enactment of this Act, and
19 the monthly rate payable shall be fixed at the nearest dollar.

20 SEC. 8. Annuity benefits provided by this Act shall be
21 paid from the Foreign Service Retirement and Disability
22 Fund; except that, no part of such Fund shall be applied
23 toward the payment of any benefits under section 2, 4, or 5
24 of this Act until an appropriation is made to such fund in an
25 amount which the Secretary of the Treasury estimates to be

1 necessary to prevent an increase in the unfunded liability to
2 such fund for the first fiscal year during which such bene-
3 fits are payable.

4 SEC. 9. Title VIII of the Foreign Service Act of 1946,
5 as amended, is amended as follows:

6 (1) Section 821 (b) of such Act (22 U.S.C. 1076 (b))
7 is amended to read as follows:

8 “(b) (1) At the time of retirement, any married female
9 participant may elect to receive a reduced annuity and to
10 provide for an annuity payable to her husband, commencing
11 on the date following such participant's death and terminat-
12 ing upon the death of such surviving husband. The annuity
13 payable to the surviving husband after such participant's
14 death shall be 50 per centum of the amount of the partici-
15 pant's annuity computed as prescribed in paragraph
16 (a) of this section, up to the full amount of such annuity
17 specified by her as the base for the survivor benefits. The an-
18 nuity of the participant making such election shall be reduced
19 by $2\frac{1}{2}$ per centum of any amount up to \$2,400 she specifies
20 as the base for the survivor benefit plus 10 per centum of any
21 amount over \$2,400 so specified.

22 “(2) At the time of retirement, the annuity of each
23 married male participant computed as prescribed in para-
24 graph (a) of this section shall be reduced by \$300 to provide

1 for his surviving wife a minimum annuity of \$2,400; except
2 that, if his annuity is more than \$4,800, he may elect up to
3 50 per centum of such annuity for his surviving wife, and if
4 such election is made, his annuity shall be further reduced
5 by 10 per centum of the difference between \$4,800 and the
6 base he specifies for the survivor benefit."

7 (2) The first sentence of section 832 (b) of such Act
8 (22 U.S.C. 1082 (b)) is amended by inserting immediately
9 before the period at the end thereof the following: "; except
10 that the annuity of any widow shall not be less than \$2,400".

11 (3) At the end of title VIII of such Act add the
12 following:

13 "PART J—COST-OF-LIVING ADJUSTMENTS OF ANNUITIES

14 "SEC. 882. (a) On the basis of determination made by
15 the Civil Service Commission pursuant to section 18 of the
16 Civil Service Retirement Act, as amended, pertaining to
17 per centum change in the price index, the following adjust
18 ments shall be made:

19 "(1) Effective April 1, 1964, if the change in the price
20 index from 1962 to 1963 shall have equaled a rise of at
21 least 3 per centum, each annuity payable from the fund
22 which has a commencing date earlier than January 2, 1963,
23 shall be increased by the per centum rise in the price index
24 adjusted to the nearest one-tenth of 1 per centum.

1 “(2) Effective April 1 of any year other than 1964
2 after the price index change shall have equaled a rise of at
3 least 3 per centum, each annuity payable from the fund
4 which has a commencing date earlier than January 2 of the
5 preceding year shall be increased by the per centum rise in
6 the price index adjusted to the nearest one-tenth of 1 per
7 centum.

8 “(b) Eligibility for an annuity increase under this sec-
9 tion shall be governed by the commencing date of each
10 annuity payable from the fund as of the effective date of
11 an increase, except as follows:

12 “(1) Effective from the date of the first increase under
13 this section, an annuity payable from the fund to an an-
14 nuitant's survivor (other than a child entitled under section
15 821 (c)), which annuity commenced the day after the an-
16 nuitant's death, shall be increased as provided in subsection
17 (a) (1) or (a) (2) if the commencing date of annuity to
18 the annuitant was earlier than January 2 of the year pre-
19 ceding the first increase.

20 “(2) Effective from its commencing date, an annuity
21 payable from the fund to an annuitant's survivor (other
22 than a child entitled under section 821 (c)), which annuity
23 commences the day after the annuitant's death and after
24 the effective date of the first increase under this section, shall

1 be increased by the total per centum increase the annuitant
2 was receiving under this section at death.

3 “(3) For purposes of computing an annuity which com-
4 mences after the effective date of the first increase under this
5 section to a child under section 821(c), the items \$600,
6 \$720, \$1,800, and \$2,160 appearing in section 821(c) shall
7 be increased by the total per centum increase allowed and in
8 force under this section and, in case of a deceased annuitant,
9 the items 40 per centum and 50 per centum appearing in
10 section 821(c) shall be increased by the total per centum
11 increase allowed and in force under this section to the an-
12 nuitant at death. Effective from the date of the first in-
13 crease under this section, the provisions of this paragraph
14 shall apply as if such first increase were in effect with
15 respect to computation of a child's annuity under section
16 821(c) which commenced between January 2 of the year
17 preceding the first increase and the effective date of the first
18 increase.

19 “(c) No increase in annuity provided by this section
20 shall be computed on any additional annuity purchased at
21 retirement by voluntary contributions.

22 “(d) No increase in annuity provided by this section
23 shall apply to amounts paid under authority of section 5 of
24 Public Law 84-503, as amended, section 4 of the Foreign

- 1 Service Annuity Adjustment Act of 1964, or any other law
- 2 authorizing annuity grants to widows.
- 3 “(e) The monthly installment of annuity after adjust-
- 4 ment under this section shall be fixed at the nearest dollar.”

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